

CITY OF CARLISLE
SPECIAL CITY COUNCIL MEETING
Tuesday, June 22, 2004
7:00 P.M.
Carlisle City Hall Council Chamber

Officials present: Mayor Ruth Randleman, Councilmembers Allen Wiese, Frank Shultz, Pat Stump and Blair Dewey, City Administrator Neil Ruddy and Public Works Superintendent Steve O'Braza. Councilmember Drew Merrifield was absent. Also present were Terry Lutz and Mark Crawford of McClure Engineering, Jim Elza of Polk County and several representatives of the Avon Lake Steering Committee.

Mayor Randleman called the meeting to order at 7:05 P.M.

The purpose of the meeting was to discuss the northwest sewer extension. Terry Lutz explained that the Avon Lake community has qualified for a \$360,000 Community Development Block Grant (CDBG) which compares the income survey results to the Polk County average and has not qualified for a Rural Development (RD) loan and grant which compares the income survey results to the statewide average. The original project budget was approximately \$1.6 million for extension of sewer service to the Avon Lake and General Mills areas with financing from a community development block grant of \$360,000, a rural development grant of approximately \$700,000, a rural development loan of approximately \$540,000. The average monthly bill was estimated at \$40.00 per month. A new strategy would be to ask for an extension on the CDBG grant and re-survey the Avon Lake area in order to resubmit an RD application.

An alternate strategy would be to request a loan from the recently established Polk County Sewer Extension Fund which would substitute for the RD financing. Jim Elza explained that the Polk County Fund has been established to stimulate the development of new tax base in urban service areas and that a minimum amount of committed new development must be in place for a community to qualify. The County would be repaid through connection fees and one-half of the monthly user fees. The ultimate urban service area for the northwest sewer extension is approximately 2,000 acres split approximately equally on the east and west sides of the beltway. The cost to serve the total area is approximately \$3 million. Currently there are approximately 170 potential residential users (135 in Avon and 35 in the SE 52nd/SE 72nd neighborhood) and 3 potential commercial users (General Mills, Heartland and the Iowa DOT). Potential sources of reimbursement include the \$360,000 CDBG grant, \$620,000 from 173 monthly user fees capitalized at 3% for 20 years and \$82,000 from approximately 2,000' of connection fees to developed properties at \$41 per foot. The connection fees for the approximately 2,000 acres of potential development property at \$1,750 per acre are \$3,500,000. This would be more than enough to repay a loan from Polk County. Polk County would also require the installation of City water for any new development to insure adequate fire flows.

Potential development prospects were discussed. It was stated that there are approximately 25 acres available that would support approximately 75 homes if municipal infrastructure was in place. These would have an estimated market value of \$150,000 each and an estimated total assessed value of \$5,600,000. It was stated that a major housing developer has expressed an interest in developing the area west of Avon Lake but that the land is not available. It was stated that Carlisle was a manufacturing company's first choice for a 26,000 square foot rail-served facility but that the company chose Pleasantville because no rail-served property was available in Carlisle.

It was decided to pursue parallel financing paths with Rural Development and Polk County. Terry Lutz will contact Midwest Assistance Program to get another income survey done and will submit an application to Polk County for an urban service area and land use agreement. At the same time the City will continue to work with landowners and developers to create committed new development in the northwest sewer extension area.

Motion by Stump to ADJOURN AT 8:05 P.M. Seconded by Wiese. Roll call vote: Stump – Aye, Wiese – Aye, Shultz – Aye, Dewey – Aye. Motion carried.

Ruth Randleman, Mayor

Attest:

Neil Ruddy, Administrator/Clerk